PUBLIC DISCLOSURE

MAY 24, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

WAINWRIGHT BANK AND TRUST COMPANY

63 FRANKLIN STREET BOSTON, MASSACHUSETTS 02110

DIVISION OF BANKS ONE SOUTH STATION BOSTON, MASSACHUSETTS 02110

NOTE:

This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks (the "Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **WAINWRIGHT BANK AND TRUST COMPANY** (or the "Bank") prepared by the Division, the institution's supervisory agency, as of **MAY 24, 2004**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated "Outstanding"

The Bank's overall CRA performance reflects the degree of its commitment in helping to meet the credit needs of its assessment area. The Bank was evaluated according to the CRA Large Institution Examination Procedures, involving three tests: the Lending Test, the Investment Test and the Service Test. These tests were conducted to determine the Bank's overall CRA performance rating for calendar years 2002 and 2003.

LENDING, INVESTMENT, AND SERVICE TEST TABLE

The following table indicates the performance level of **WAINWRIGHT BANK AND TRUST COMPANY, BOSTON, MASSACHUSETTS**, with respect to the lending, investment, and service tests.

PERFORMANCE TESTS Wainwright Bank and Trust Company											
Performance Levels	Lending Test*	Investment Test	Service Test								
Outstanding	Х		X								
High Satisfactory		X									
Satisfactory											
Needs to Improve											
Substantial Non- Compliance											

^{*}Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

Wainwright Bank and Trust Company is a state-chartered financial institution headquartered in Boston, Massachusetts. The Bank has 9 full-service branch offices including the main office. Branch offices are located in the following areas: Boston (Suffolk County); and Cambridge; Somerville; and Watertown, all of which are located in Middlesex County. The home office is located in Downtown Boston's retail district. The census tract income level for the main office location is designated as low-income. A branch office located at Kendall Square in Cambridge is also designated as low-income. The remaining branch office locations in Cambridge, at Fresh Pond Mall and Central Square, are located in moderate-income census tracts. The Bank has 3 branches located in middle-income tracts, one of which is in the Back Bay section of Boston, one in Somerville at Davis Square, and a third in Watertown Square. The remaining two branches are located in upper-income tracts in Cambridge at Harvard Square, and in the Jamaica Plain section of Boston on Centre Street.

As of March 31, 2004, the Bank had total assets of \$642.6 million. Total loans, as of this date, were \$463.6 million. Although the Bank placed strong emphasis on commercial lending in the past, the Bank has become a more active participant in residential lending. As of March 31, 2004, loans secured by 1-to-4 family residential properties accounted for \$210.4 million, or 45.4 percent, of the total loan portfolio. Loans secured by nonfarm nonresidential properties accounted for \$108.6 million, or 23.4 percent, of the loan portfolio. Loans secured by multi-family (5 or more units) residential properties accounted for \$64.9 million, or 14.0 percent. Commercial and industrial, and construction and land development loans, accounted for 8.3 percent and 6.9 percent, respectively. Consumer loans and other obligations accounted for less than 5 percent of the total loan portfolio.

An analysis of the Bank's loan-to-assets was also conducted. The Bank's Federal Financial Institution Examination Council ("FFIEC") Call Reports and UBPR data were utilized to determine the average loan-to-asset ratio for the last eight quarters beginning June 30, 2002, and ending March 31, 2004. The data indicated that the net loan-to-asset ratio averaged 67.8 percent for that period. As of March 31, 2004, the net loan-to-asset ratio stood at 71.4 percent. As of March 31, 2004, the net loan-to-deposit ratio stood at 108.9 percent.

Between June 30, 2002 and March 31, 2004, the Bank's total loans, assets and deposits increased 29.4 percent, 22.9 percent and 9.1 percent, respectively.

DESCRIPTION OF INSTITUTION (continued)

The Bank was last examined for compliance with CRA on June 10, 2002, by the Federal Deposit Insurance Corporation ("FDIC"). The Bank was last examined for compliance with CRA by the Division on March 2, 1999. Both examinations utilized the Large Bank CRA examination procedures. The Bank received a CRA rating of "Outstanding" from both the FDIC and the Commonwealth of Massachusetts.

Based upon the Bank's financial condition, size, product offerings, and branch network, the Bank's ability to meet community credit needs is considered strong. There are no apparent financial or legal impediments that would limit the Bank's ability to help meet credit needs within the assessment area.

DESCRIPTION OF ASSESSMENT AREA

The Bank has defined its assessment area in accordance with the requirements of CRA, which requires financial institutions to identify an assessment area in which they intend to focus their lending efforts, and in which regulators will evaluate the financial institution's CRA performance. The Bank's assessment area is composed of municipalities in which the Bank has branch offices. The Bank has defined its assessment area as the Cities of Boston, Cambridge, and Somerville, and the Town of Watertown.

Demographic and Economic Data

Assessment Area 2002

The assessment area is comprised of 219 census tracts, 214 of which are broken down by the four geographic income categories of low-, moderate-, middle- and upper-income. The assessment area contains 39 low-income census tracts, 96 moderate-income census tracts, 61 middle-income census tracts, and 18 upper-income census tracts. There are 5 tracts with no income designation. The City of Boston is the municipality with the most tracts, including 38 of the 39 low-income tracts, and 76 of the 96 moderate-income tracts. The remaining low-income tract is located in Cambridge. The remaining moderate-income tracts are located in Cambridge (12) and Somerville (8). The census tracts with no income designation are 305.99, 408.99, 605.99, 606.99, and 1501 in Boston.

Demographic data obtained from CRA Wiz, based on 1990 Census data, indicates that the Bank's assessment area contains a total population of 779,579 individuals. There are 339,376 housing units within the assessment area. Owner-occupied housing units represent 29.0 percent of the total units, and vacant housing units represent 8.0 percent. Of the 311,750 households, 15.5 percent are below the poverty level.

Assessment Area 2002 (continued)

The following table provides demographic and economic information pertaining to the Bank's assessment area.

Sele	ected Housi	ng Charact	eristics by I	ncome Cate	gory of the	Geography	У					
Geographic		Percentage										
Income Category	Census Tracts	House- holds	Housing Units	Owner- Occupied	Rental Units	Vacant Units	Home Value					
Low	17.8	12.0	12.7	4.5	15.7	19.2	149,779					
Moderate	43.8	44.0	44.1	39.7	45.9	45.2	155,910					
Middle	27.9	33.6	32.7	43.3	29.1	22.4	180,736					
Upper	8.2	10.4	10.5	12.5	9.3	13.2	308,797					
NA	2.3	0.0	0.0	0.0	0.0	0.0	0					
Total	100.0	100.0	100.0	100.0	100.0	100.0	183,923					

Source: 1990 U. S. Census

Assessment Area 2003

The assessment area is comprised of 207 census tracts, 206 of which are broken down by the four geographic income categories of low-, moderate-, middle- and upper-income. The assessment area contains 45 low-income census tracts, 80 moderate-income census tracts, 61 middle-income census tracts, and 20 upper-income census tracts. There is one tract with no income designation. The City of Boston is the single municipality with the most tracts, including 44 of the 45 low-income tracts, and 61 of the 80 moderate-income tracts. The remaining low-income tract is located in Cambridge. The remaining moderate-income tracts are located in Cambridge (11) and Somerville (8). The census tract with no income designation is 1501 in Boston.

Demographic data obtained from CRA Wiz, based on 2000 Census data, indicates that the Bank's assessment area contains a total population of 800,960 individuals. There are 344,145 housing units within the assessment area. Owner-occupied housing units represent 31.2 percent of the total units, and vacant housing units represent 4.6 percent. Of the 328,418 households, 16.8 percent are below the poverty level.

Assessment Area 2003

The following table provides demographic and economic information pertaining to the Bank's assessment area.

Sele	ected Housi	ng Charact	eristics by I	ncome Cate	gory of the	Geography	У	
Geographic			Perce	entage			Median	
Income Category	Census Tracts	House- holds	Housing Units	Owner- Occupied	Rental Units	Vacant Units	Home Value	
Low	21.7	17.6	17.7	9.8	21.1	22.4	194,780	
Moderate	38.6	39.6	39.4	35.5	41.8	33.5	196,529	
Middle	29.5	30.6	30.4	39.9	26.1	26.9	239,019	
Upper	9.7	12.2	12.5	14.8	11.0	17.2	449,935	
NA	0.5	0.0	0.0	0.0	0.0	0.0	0	
Total	100.0	100.0	100.0	100.0	100.0	100.0	243,163	

Source: 2000 U. S. Census

The market in which the Bank operates is highly competitive. Based on the 2002 Home Mortgage Disclosure Act ("HMDA") aggregate data, there were 514 HMDA-reporters that originated at least one home mortgage loan in the Bank's assessment area. Competitors include local and regional banks such as Fleet National Bank and Boston Federal Savings Bank, and large national mortgage companies such as Countrywide Home Loans and Wells Fargo Home Mortgage. Competition is also strong among local banks such as Cambridgeport Bank and Cambridge Savings Bank.

Also, some of the region's largest employers are located in the assessment area including Blue Cross Blue Shield of Massachusetts, The Gillette Company, Boston University, Harvard University, and Novartis Biomedical Research. The assessment area is home to numerous universities and colleges, including Boston University and Boston College in Boston, and Harvard University and The Massachusetts Institute of Technology in Cambridge and world renown medical centers such as Children's Hospital, Massachusetts General Hospital, and Dana Farber Cancer Institute in Boston. Also, the area is rapidly becoming a world leader in biomedical research and technology with firms such as Novartis and Biogen headquartered in Cambridge.

In addition, 2003 Business Geodemographic Data compiled by CRA Wiz indicates that there are more than 53,650 business establishments that operate within the assessment area. These businesses are heavily concentrated in the service and retail trade industries. The majority of these businesses (53.45 percent) have gross annual revenues under \$1 million.

Community Contact

As part of the evaluation procedures, community contacts are conducted to add additional insight to the performance context and to obtain feedback from individuals and organizations regarding the performance of local financial institutions in helping to meet the credit needs within the assessment area. A community contact was performed with the assistant city manager of a local municipal organization dedicated to the support and enhancement of a healthy business climate and community-wide quality of life. The contact stated that local banks are involved in programs that promote small "mom and pop" type businesses through flexible lending programs, in conjunction with matching grants through community development organizations. Also, most local banks, including the Bank, were participants in the soft second program, which promotes homeownership in the community.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Scope of Evaluation

This performance evaluation assesses the Bank's performance under the Lending, Investment, and Service Tests. The evaluation included an analysis of HMDA-reportable loans and small business loans reported during the period January 1, 2002, through December 31, 2003. Small business loans, as defined in the Consolidated Report of Condition and Income ("Call Report") are loans that have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans. The evaluation period for the Bank's community development lending, investments, and services is from January 1, 2002, through December 31, 2003, also.

In addition, residential loan data of competing institutions was analyzed for 2002, the latest data available for comparison of aggregate residential loan information.

LENDING TEST

The institution's Lending Test performance was rated an overall "Outstanding." The institution's lending efforts are rated under the seven major performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending Practices, Fair Lending, and Loss of Affordable Housing. The following information represents the data compiled and reviewed, as well as conclusions on the Bank's performance.

Tables 1 through 13, appearing at the end of the Public Evaluation, summarize the Bank's lending performance by loan product type. Tables 7a and 12a were excluded as they relate to the distribution of small loans to farms, which the Bank does not originate.

I. Lending Activity

Residential Loans

From January 1, 2002 to December 31, 2003, the Bank originated 792 HMDA-reportable loans, totaling \$101,704,000. As the following table indicates, the majority of home mortgage loans were originated outside the assessment area. Although both the number and dollar volume of the Bank's loans are considered, the number of loans is weighed more heavily than the dollar volume. The reasoning is the number of loans does not vary due to the applicant's income level, the size of the applicant's business, or because of the varying housing values within the assessment area.

Lending Activity (continued)

Residential Loans (continued)

The number of loans originated inside the Bank's delineated assessment area constituted 42.93 percent of the total number, or 44.77 percent of the total dollar volume. The percentage of loans originated within the assessment area suggests a trend that reflects a significant decrease in 2003 due to the Bank's business strategy of expanding its residential lending activity. This was accomplished by hiring a loan originator whose sphere of operation encompasses a broader geographic area than the Bank's defined assessment area.

Loans originated outside of the delineated assessment area constituted 57.07 percent of the total number, or 55.23 percent of the total dollar volume. Refer to the following tables for additional information.

	Distribution of Home Mortgage Loans Inside and Outside the Assessment Area												
		lr	nside			0	utside						
.,	Number of	Loans	Dollar Amou	unt	Number of	Loans	Dollar Amount						
Year	#	%	\$ (000s)	%	#	%	\$(000s)	%					
2002	100	62.50	23,512	61.11	60	37.50	14,962	38.89					
2003	240	37.98	58,943	40.46	392	62.02	86,742	59.54					
Totals	340	42.93	82,455	44.77	452	57.07	101,704	55.23					

As noted in the description of the assessment area, the Bank is operating within possibly the most competitive lending environment in the region. Market share data for 2002 was reviewed with respect to this performance criterion.

The market share information is based upon loan data submitted to the Federal Reserve in 2002 by all HMDA-reportable lending institutions that originated residential real estate loans within the assessment area.

Data for the 514 lenders that made loans within the assessment area indicated that Washington Mutual Bank ranked first, with a 10.86 percent market share. Countrywide Home Loans ranked second, with 7.78 percent in market share.

The demand for residential mortgages within the assessment area remains competitive. As mentioned earlier, the Bank's lending strategy, in addition to favorable low interest rates since the first quarter of 2002, has resulted in a strong demand for residential mortgage loans. Residential loan volume for calendar year 2003 was 295 percent above the residential loan volume for calendar year 2002.

Lending Activity (continued)

Small Business Loans

The Bank originated 164 small business loans for a dollar total of \$46.3 million. Of the total small business loans, 73.78 percent of the total number, and 68.02 percent of the dollar volume was originated within the assessment area. The Bank's ratio of small business lending within the assessment area versus outside the assessment area is consistent and remains relatively strong. Refer to the following table for more detailed information.

	Distribution of Small Business Loans Inside and Outside the Assessment Area												
		Ins	ide			Out	side						
	Number	of Loans	Dollar A	Amount	Number	of Loans	Dollar Amount						
Year	#	%	\$ (000s)	%	#	%	\$(000s)	%					
2002	88	77.19	26,193	77.47	26	22.81	7,616	22.53					
2003	33 66.00		5,312	42.47	17	34.0	7,197	57.53					
Totals	121	73.78	31,505	68.02	43	26.22	14,813	31.98					

II. Geographic Distribution

The Bank's penetration of census tracts of different income levels is considered reasonable

Residential Mortgage Loans

Tables 2a, 3a, 4a, and 5a in Appendix B are based on HMDA data for calendar years 2002 and 2003, and illustrate the geographic distribution of the Bank's residential mortgages among low-, moderate-, middle-, and upper-income census tracts that constitutes the assessment area. The tables show home purchase loans, home improvement loans, home mortgage refinance loans, and multifamily loans

For this evaluation period, the Bank has made at least one loan in 155 of the 207 census tracts. The tracts with no loan activity are in the City of Boston (45), Cambridge (5), and Somerville (2). The majority of the tracts with no loan activity (30) are designated as low- or moderate-income.

Table 2a illustrates the geographic distribution of home purchase loans within the assessment area. The Bank originated 59 home purchase loans during the two-year period. Loans originated within low-income geographies represented 15.15 percent in 2003. No home purchase loans were originated in low-income geographies in 2002. Home purchase loans originated within moderate-income tracts represented 61.54 percent in 2002, and 54.55 percent in 2003. Aggregate data indicates a lower rate of lending than the Bank in 2002 for moderate-income geographies with 42.71 percent.

Geographic Distribution (continued)

Residential Mortgage Loans (continued)

The contrast between the Bank's loans originated in 2002 and 2003 within low- and moderate-income tracts is due in large part to the changes in the 2000 U.S. Census tract definitions. As indicated in the Performance Context section, the percentage of low-income tracts went from 17.8 percent, based on the 1990 Census, to 21.7 percent, based on the 2000 Census. Conversely, the percentage of moderate-income tracts went from 43.8 percent, based on the 1990 census, to 38.6 percent, based on the 2000 census. Middle-income tracts went from 27.9 percent in 1990, to 29.5 percent in 2000. Nonetheless, the Bank originated the highest percentage of home purchase loans within moderate-income census tracts in 2002 and 2003, with 61.54 percent and 54.55 percent, respectively.

The loan volume is within expectations considering the higher number of moderateincome tracts and the significant number of owner-occupied housing units in moderateincome geographies.

Middle-income census tracts accounted for the next highest number of loans, with 26.92 percent in 2002, and 18.18 percent in 2003. These figures are reasonably consistent with the rate of owner-occupancy within the middle-income geographies.

Table 3a in Appendix B illustrates the geographic distribution of home improvement loans. The Bank originated 38 loans for the two-year period. Unlike home purchase loans, the concentration of lending among low- and moderate-income geographies is due, in large part, to the Bank's participation in financing investor properties. The Bank originated 31.58 percent of home improvement loans in 2002, compared to 5.34 percent for the aggregate, in low-income geographies. The Bank's lending is significantly higher than the rate of owner-occupancy for both low- and moderate-income geographies.

Table 4a in Appendix B illustrates the geographic distribution of home refinance loans. The Bank originated a total of 223 home refinance loans in 2002 and 2003. The Bank originated 6.25 percent of these loans in low-income tracts in 2002, and 9.71 percent in 2003. The Bank originated 27.08 percent of home refinance loans in moderate-income tracts in 2002, and 34.29 percent of these loans in 2003. The preceding figures are above the aggregate figure of 5.68 percent for lending in low-income geographies, but slightly below the aggregate figure of 38.91 for loans in moderate-income geographies. Both the Bank and the aggregate originated loans that are consistent with the rate of owner-occupancy in low- and moderate-income tracts. The Bank originated the highest percentage of loans in middle-income tracts, with 47.92 percent of total home refinance loans in 2002, and 43.43 percent in 2003. Loans in upper-income tracts were 18.75 percent in 2002, and 12.57 percent in 2003. The loan volume in moderate- and middle-income geographies is appropriate given that the concentration of owner-occupied units is in moderate- and middle-income geographies.

Geographic Distribution (continued)

Residential Mortgage Loans (continued)

Table 5a in Appendix B indicates the geographic distribution of multifamily loans. The Bank originated a total of 20 multifamily loans in 2002 and 2003. The Bank originated 28.57 percent of these loans in low-income tracts in 2002 and 30.77 percent in 2003. The Bank originated 42.86 percent of multifamily loans in moderate-income tracts in 2002 and 30.77 percent in 2003. Aggregate data for 2002 show less activity for multifamily loans originated in low-income tracts with 12.24 percent. Aggregate figures, at 48.96 percent, were slightly higher than Bank figures for loans originated in moderate-income tracts. These figures are appropriate since low- and moderate-income geographies have a higher concentration of multifamily properties.

Small Business Loans

Table 6a in Appendix B illustrates the geographic distribution of small business loans. Similar to the residential mortgage data, the information in Table 6a compares the Bank's small business lending in each of the four census tract income groups to the proportion of small businesses located in each area. No data was available for comparison of the Bank's lending activity to that of all other lenders doing business in the area.

As Table 6a illustrates, the Bank originated a total of 121 small business loans within the assessment area in 2002 and 2003. The Bank originated 19.32 percent of all small business loans in low-income census tracts during calendar year 2002, a figure that is in proportion to the 19.75 percent of small businesses operating in the low-income tracts. The Bank's small business loan activity in moderate-income census tracts for 2002, at 23.86 percent, was slightly below the percentage of small businesses (31.64 percent) operating in moderate-income tracts. The Bank's small business loan activity in middle-income tracts, at 15.91 percent, was less than the 25.88 percent of businesses operating in middle-income tracts. The Bank's loans originated in upper-income census tracts, at 40.91 percent, was considerably more than the percent of small businesses operating in upper-income tracts.

The Bank originated 30.30 percent of all small business loans in low-income census tracts during calendar year 2003, a figure that is considerably more than the 23.47 percent of small businesses operating in low-income tracts. The Bank's small business loan activity in moderate-income census tracts for 2003, at 24.24 percent, was comparable to the 27.00 percent of small businesses operating in moderate-income census tracts. Similar to 2002 loan activity, the Bank's activity in middle-income tracts, at 12.12 percent, was considerably less than the 26.01 percent of small businesses operating in middle-income tracts. The Bank's loans originated in upper-income census tracts, at 33.34 percent, was higher than the 23.52 percent of small businesses operating in upper-income tracts.

III. Borrower Characteristics

Residential Mortgage Loans

The distribution of loans, given the product lines offered by the Bank and the economic climate of the assessment area, reflects good penetration among residential customers of different income levels and small business customers of different sizes. For comparison, the 2002 and 2003 distribution of the assessment area's families¹ and by borrower income level and 2002 aggregate data is also shown. Aggregate data for 2003 was not available at the time of this evaluation.

Tables 8a, 9a, and 10a in Appendix B are based on HMDA data for the period reviewed and illustrate the distribution of the Bank's home purchase loans, home improvement loans, and home mortgage refinance loans among low-, moderate-, middle-, and upper-income borrowers in the assessment area. Data regarding multifamily properties are not provided since borrower income data are not collected for this type of credit.

Table 8a, which illustrates the borrower distribution of home purchase loans, indicates that the Bank originated 59 loans in the period reviewed. Loans to low-income borrowers in 2002 and 2003 are 19.23 percent and 6.06 percent, respectively. These figures are considerably less than the low-income families in 2002 and 2003, with 32.80 percent and 36.09, respectively. Loans to moderate-income borrowers fared considerably better in 2002 and 2003, with 19.23 percent and 42.42 percent, respectively. The 2002 figure was in line with the percentage of moderate-income families within the assessment area, and the 2003 figure was more than twice the percentage of moderate-income families. Data indicates that moderate-income families in 2002 and 2003 were 21.08 percent and 20.09 percent, respectively. Aggregate loan data for 2002 indicated loans originated among low- and moderate-income borrowers was 3.27 percent and 13.94 percent, respectively. These percentages are considerably less than the Bank's figures. The overall concentration of the Bank's residential mortgage loans is slightly higher among upper-income borrowers with 30.77 percent in 2002, and 36.36 percent in 2003. Although loans to low-income individuals are proportionately lower than the 36.09 percent of low-income families, penetration is considered reasonable since approximately 13.4 percent of the families within the assessment area are below the poverty level and could not afford the costs associated with homeownership.

In addition, the Bank's penetration of low-income families is hampered by the cost of homes in relation to income. A low-income family within the Bank's assessment area would have an annual income of less than \$37,100 in 2002, and less than \$40,400 in 2003. The median sales price of a single family home within the assessment area in 2003 ranged from a low of \$237,000 in East Boston, to a high of \$630,000 in Cambridge².

² Based on Banker and Tradesman Town Statistics as of December 2003

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²⁰⁰² based on 1990 Census Data 2003 Based on 2000 Census Data

Borrower Characteristics (continued)

Residential Mortgage Loans (continued)

Even with the Bank's flexible lending programs, the cost of local real estate is greater than what many low-income families could afford.

Table 9a in Appendix B shows the borrower distribution of home improvement loans. The Bank originated a total of 38 home improvement loans for the two-year review period. For calendar year 2002, the distribution of loans to low-income borrowers, at 31.58 percent, was comparable to the percentage of low-income families, but was significantly more than the aggregate, which stood at 9.58 percent. percentage of loans to moderate-income borrowers, at 21.05 percent, was also comparable to the percentage of families in low-income tracts, and was slightly higher than the 17.89 percent for the aggregate. Loans to low-income borrowers declined dramatically in 2003 to 5.26 percent, however, loans to moderate-income borrowers rose to 31.58 percent, a figure considerably more than the 20.09 percent of moderate-The Bank's concentration of loans was among middle-income income families. borrowers, which stood at 36.84 percent in 2002, and increased to 57.90 percent in 2003. The Bank's home improvement loans to upper-income borrowers, at 10.53 percent in 2002, and 5.26 percent in 2003, represented the least activity. The figures were considerably less than the percentage of upper-income families and the 34.93 percent for the 2002 aggregate.

Table 10a in Appendix B illustrates the borrower distribution of home mortgage refinance loans. The Bank originated 223 mortgage refinance loans in 2002 and 2003. For calendar year 2002, the Bank's distribution of loans to low-income borrowers, at 10.42 percent, was more than the 4.89 percent for the aggregate. In 2002, the Bank's loans to moderate-income borrowers, at 16.67 percent, compared closely to the 16.26 percent for the aggregate. In 2003, the Bank's lending among low- and moderate-income borrowers declined to 6.86 percent and 14.86 percent, respectively.

In 2002, the Bank originated loans to middle- and upper-income borrowers, at 25.00 percent and 45.83 percent, respectively. These figures more closely reflect those of the aggregate. Loans to middle-income borrowers for both the Bank and the aggregate were comparable to the percentage of middle-income families. In 2003, the Bank's lending to middle- and upper-income borrowers, at 32.00 percent and 45.14 percent, respectively, was similar to the 2002 percentages.

To assist lower income individuals achieve homeownership, the Bank has offered a number of in-house and government sponsored affordable housing programs. These programs offer expanded debt-to-income ratios and lower downpayment requirements.

Borrower Characteristics (continued)

Small Business Loans

As indicated in Table 11a, the Bank's level of lending to businesses with gross annual revenues of \$1 million or less is considered good. During the period reviewed, the Bank originated 121 small business loans within the assessment area.

In calendar year 2002, the Bank originated 72.73 percent of its small business loans within the assessment area to businesses with gross annual revenues of \$1 million or less. In calendar year 2003, the Bank originated 69.70 percent of the small business loans within the assessment area to businesses with gross annual revenues of \$1 million or less. The Bank's level of performance was more than the 69.28 percent of small businesses with revenues of \$1 million or less in 2002, and significantly more than the 59.76 percent of small businesses with revenues of \$1 million or less in 2003.

The Bank originated a significant number, 46.28 percent, of small business loans with dollar amounts of less than \$100,000. For 2002, 38.64 percent of the small business loans were in amounts of \$100,000 or less. For 2003, the number of small business loans with dollar amounts of \$100,000 or less increased to 66.67 percent. These figures are indicative of the Bank's commitment to serving the credit needs of smaller businesses within the assessment area.

IV. Community Development Lending

The Bank's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution: 2) the responsiveness of the institution's community development lending; and 3) the extent the institution has demonstrated leadership in community development lending.

The Bank has a relatively high level of community development loans and in some cases has taken a leadership position in making community development loans. The Bank has provided community development financing totaling more than \$50 million, in the form of working capital loans, rehabilitation loans, construction and permanent financing loans that promote affordable housing. These loans were made to individuals, non profit organizations and in conjunction with local and statewide government sponsored programs that included the Bank's assessment area. Additionally, the Bank originated seven multifamily loans, totaling \$10.4 million, and provided approximately 289 units of affordable housing in low- and moderate-income geographies within the assessment area.

Community Development Lending (continued)

As the following table illustrates, the Bank originated seven multifamily loans, totaling \$10,415,000. These units are considered affordable for low- and moderate-income individuals using the Federal National Mortgage Association ("FNMA") standard housing expense ratio of 28 percent, and the HUD adjusted Median Family Income for 2002 and 2003. Using these guidelines for 2002, a low-income person could afford rent approximating \$865.67, and a moderate-income person could afford rent approximating \$1,385.07. The numbers increased in 2003 to \$942.67, for a low-income individual and \$1,508.27 for a moderate-income individual.

	Multifa	mily Loans	
Origination Date	Amount (\$000)	# Units	Census Tract
10/22/02	525	5	808.00 Low
05/29/02	1,750	31	810.00 Low
08/07/02	2,000	32	915.00 Mod
09/03/03	3,000	31	810.00 Low
11/23/03	2,090	NA	924.00 Low
07/03/03	450	12	1001.00 Low
12/04/03	600	178	819.00 Mod
Total	10,415	289	

V. Innovative or Flexible Lending Practices

The Bank's innovative and flexible lending practices are evaluated based upon the degree to which the loans serve low- and moderate-income individuals and geographies in new ways or serve groups of creditworthy borrowers not previously served by the institution. The following are examples of the Bank's flexible lending programs.

Residential Loan Products

Wainwright Bank 5/1 Affordable Mortgage – The Bank's in-house first-time homebuyer program is offered to applicants with incomes that 80 percent or less of than the median income of the Boston MSA. The mortgage is priced at 25 basis points below the Bank's current rate. After a 5-year fixed rate there is an annual adjustment. The borrower is required to pay for the appraisal and credit report and the Bank absorbs all remaining closing costs. A downpayment requirement of 5 percent, with private mortgage insurance, is available. Since the last examination, the Bank originated 7 loans totaling \$1,044,750.

Innovative or Flexible Lending Practices (continued)

Massachusetts Housing Partnership Soft Second Program – This program is offered to assist low- and moderate-income borrowers in securing first time homebuyers in securing a low cost mortgage in addition to a subsidized second mortgage. The soft second mortgage is designed to reduce the first mortgage amount and lower the initial monthly costs so that the borrower can qualify for a loan. In 2002, the Bank closed three loans totaling \$387,000. In 2003, the Bank closed five loans, totaling \$836,025, under this program.

Municipal Employee Loan Program – The Bank is a participant in this program geared to municipal employees. In 2002, the Bank closed seventeen loans totaling \$380,150. In 2003, the Bank closed three loans totaling, \$754,500.

MHFA Lead Abatement Program – This program provides residential homeowners with low-cost financing for lead paint removal, which poses a danger to young children. To qualify, homeowners must meet income limitations that must not exceed the MHFA's guidelines. Local organizations refer approved applicants to participating Banks. The Bank originated sixteen loans, totaling \$370,777, under this program since the last examination.

The Green Loan – The Bank, in partnership with Mass Energy and Solar Boston, offers a discounted, fixed-rate home equity loan that reduces energy consumption and helps the environment. This product is offered with no closing costs on 1 to 4 family primary residences only. There is a one percent rate reduction if the loan is used to install solar energy and an additional .25 percent rate reduction if the loan payments are automatically deducted from a Wainwright Bank checking account.

Small Business Loan Program

SBAExpress Program – This program was designed to leverage private sector resources by transferring additional authority and autonomy to selected Small Business Administration ("SBA") lenders. The program was also developed to: (1) increase the SBA's effectiveness in delivering financial assistance to the Nation's small business community; (2) Increase the efficiency and reduce the costs of processing SBA loans for both the SBA and its lending partners; (3) Reduce required SBA paperwork and procedures to further streamline the agency's loan approval process; and (4) Encourage more lenders to participate in SBA loan programs. This program allows lenders to utilize, to the maximum extent possible, their respective loan analyses, procedures, and The lender uses use their own application forms, internal credit documentation. memoranda, notes, collateral documents, servicing documentation, and liquidation In return for the expanded authority and autonomy provided by the documentation. program, lenders agree to accept a maximum SBA guaranty of 50 percent and a maximum loan amount of \$250,000. In 2003, the Bank granted five loans, totaling \$595,000, under the SBA*Express* program.

VI. Fair Lending Policies and Practices

The Bank's fair lending practices were reviewed to determine how they relate to the guidelines set forth in Regulatory Bulletin 2.3-101, the Division of Banks' Community Reinvestment and Fair Lending Policy. The Bank maintains a formal fair lending policy. The Bank's fair lending policy and procedures are comprehensive in nature and address specific areas such as loan review, staff training, fair lending procedures, a loan application and evaluation process as well as applicable rules and regulations regarding the Equal Credit Opportunity Act, The Fair Housing Act, The Home Mortgage Disclosure Act and CRA.

All employees are provided with training appropriate to their job description and their responsibilities relative to the Bank's fair lending standards. This includes information regarding both technical requirements and the more substantive and subtle issues related to unintentional discrimination and quality of assistance.

Some members of the Bank's staff volunteer time at a variety of area organizations in need of their expertise. Primarily, the Bank markets its service and products through print media and the Internet. Seminars are also conducted in order to make potential customers aware of the services the Bank offers. In addition, there are some employees who speak a second language, which aids customers who may not be fluent in English.

Minority Application Flow

A review of the Bank's residential loan application flow was conducted. The purpose of the review is to determine the number of applications received from minority applicants.

As indicated in the following table, the Bank received a total of 385 residential applications from individuals within the assessment area during the two-year period. A total of 97 applications, or 25.2 percent, was received from minority applicants. Of the total applications received by minority applicants, 78 or 80.4 percent were approved.

	applications received by riminerty application, to or occupations were approved.												
		Min	ority Appl	ication Flo)W*								
	Aggregate Data 2002		_	ink 102	_	ink 103	Bank Total						
Race	#	%	#	%	#	%	#	%					
Native American	199	0.3	1	0.9	1	0.4	2	0.5					
Asian	2,442	3.4	0	0.0	16	5.9	16	4.1					
Black	6,282	8.6	16	13.9	30	11.1	46	11.9					
Hispanic	2,881	4.0	1	0.9	10	3.7	11	2.9					
Joint Race	927	1.3	0	0.0	11	4.1	11	2.9					
Other	1,213	1.6	4	3.4	7	2.6	11	2.9					
Total Minority	13,944	19.2	22	19.1	75	27.8	97	25.2					
White	34,241	47.1	77	67.0	143	53.0	220	57.1					
NA	24,441	33.7	16	13.9	52	19.2	68	17.7					
Total	72,626	100.0	115	100.0	270	100.0	385	100.0					

*Source: PCI Services, Inc. CRA Wiz software

Minority Application Flow (continued)

The Bank's application flow was compared to the 2002 aggregate data for all other HMDA reporters within the assessment area. In addition, the Bank's minority application flow was compared with the racial composition of the assessment area. The comparison of this data assists in deriving reasonable expectations for the institution's application flow.

Aggregate information for 2002, as shown in the preceding table, indicated that 19.2 percent of the total applications received from all other HMDA reporters were from minority applicants. The Bank's minority application flow is comparable to the aggregate, with 19.1 percent of total applications received from minority applicants in 2002. It is also noted that the Bank's, as well as the aggregate, minority application flow for 2002 significantly trails the assessment area's minority population rate. According to the 1990 U.S. Census Data, the assessment area contained a total population of 779,579 individuals. Minority individuals accounted for 35.3 percent of the total population. This figure is in distinct contrast to the rate of applications the Bank receives from minority individuals.

VII. Loss of Affordable Housing

The Bank's lending programs that include community development and flexible underwriting have assisted low- and moderate-income individuals to remain in their neighborhoods.

Conclusion - Lending Test

The Bank has demonstrated exceptional responsiveness to community credit needs. Although a slight majority of the Bank's residential loans are made outside the assessment area, the distribution of loans among borrowers of different income levels and businesses of different sizes is strong. In addition, the Bank has established a good record within its assessment area of helping to serve the credit needs of low- and moderate-income geographies, low- and moderate-income borrowers, and businesses with gross annual revenues of \$1 million or less. In addition, the Bank has granted a high level of community development loans and provides a good level of flexible lending products. Based on the aforementioned, the institution's overall lending performance is considered "Outstanding."

INVESTMENT TEST

The investment test evaluates an institution's record of helping to meet the credit need of its assessment area through "qualified investments" that benefit its assessment area or a broader statewide or regional area, which includes the institution's assessment area. Overall, the investment test evaluates the dollar amount of qualified investments, their "innovativeness and complexity", and the responsiveness of these investments to credit and community development needs, including the degree to which they assist residents to remain in affordable housing and the degree to which they (qualified investments) are not routinely provided by private investors.

A qualified investment is defined as a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes; affordable housing for low- and moderate-income individuals, community services (targeted to low- and moderate-income individuals), activities that promote economic development (by financing small businesses or small farms), and activities that revitalize or stabilize low- and moderate-income geographies. The Bank's investment test is rated "High Satisfactory."

Qualified Investments

The Bank maintains a leadership role in investing in organizations that support affordable housing and economic development activities within the assessment area. Two additional installments, totaling \$3.15 million, were made since the last CRA report of examination, which was conducted by the FDIC. The following identifies additional equity investments that management has made since the previous examination.

Manchester/12 Summer Street – In 2003, the Bank made a \$633,830 equity investment in a project initiated by the Town of Manchester, and led by the Manchester Housing Authority for the renovation of a multi-family rental development. The town voted to improve the property and ensure that the units would be restricted to long-term affordable housing. The project includes 21 studio, one-, and two-bedroom apartments for households of various incomes, including low-income elderly, single individuals, and two adult households with children.

Ruggles Street Limited Partnership – Since the previous CRA report of examination, the Bank purchased additional installments on its \$4.2 million commitment to purchase low-income tax credits that financed the conversion of a vacant school located at 25 Ruggles Street in Roxbury. This project contains 43 studio units of affordable housing for low-income elders. As of December 31, 2003, investments on this project totaled \$2,406,043.

Qualified Investments (continued)

The remaining two investments are previous investments that remain on the Bank's balance sheet. They include the following:

Pond Home Assisted Living – The Bank's original purchase of \$4.0 million in low-income tax credits from the Massachusetts Housing Investment Corporation (MHIC) to finance the development of an assisted living facility in Wrentham for low-income elders had a book value of \$3,686,509 as of year-end 2003. This investment is eligible for consideration in that MHIC serves the entire Commonwealth of Massachusetts, including the cities and towns located within the Bank's assessment area.

Massachusetts Housing Investment Limited Liability Corporation – The Bank's investment of \$200,000 in the equity pool is maintained by this organization to fund affordable housing projects throughout the Commonwealth, including the Bank's assessment area.

Charitable Contributions

The Bank's qualified investments consist of charitable grants/contributions to several local community organizations for purposes, which are considered primarily community development in nature. The Bank makes regular donations to civic, social service, and health care organizations throughout its assessment area. The Bank made qualified grants in 2002 and 2003 of \$32,663 and \$30,533, respectively.

The qualified contributions benefited 43 different organizations. A highlight of these organization include: **Casa Myrna Vazquez**, a community-based, multi-cultural organization providing a full scope of services to women and children and dedicated to the eradication of violence against women and children by advocating social justice; **Aids Action Committee of Massachusetts**, a not for profit multi-service organization providing support for people with Aids; **Aids Housing Corporation**, whose mission is to provide permanent housing for low-income Aids patients; **Rosie's Place**, a shelter and provider of services to homeless women in need; **Victory Programs**, a Boston based multi-service agency providing individualized treatment programs to people recovering from alcoholism and drug addiction.

Conclusion - Investment Test

The Bank's qualified charitable contributions reflect a reasonable dollar amount and good level of responsiveness to the community development needs of its assessment area. In some instances, the Bank has taken a leadership role in making large multi-year commitments to organizations for purposes, which are primarily community development in nature. The Bank's performance under the investment test is considered to be "High Satisfactory."

SERVICE TEST

The service test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing the availability and effectiveness of an institution's systems for delivering retail banking services; and the extent and innovativeness of its community development services. Overall, the Bank's retail service delivery systems are accessible to geographies and individuals of different income levels within its assessment area. To the extent changes have been made, its record of opening and closing branches has not adversely affected the accessibility of its delivery systems. The Bank's officers and staff provide a relatively high level of community development services including educational services. The Bank's service activities are rated "Outstanding."

RETAIL BANKING SERVICES

With regard to an institution's retail services, the Service Test evaluates the distribution of branches among low-, moderate-, middle-, and upper-income geographies; and the institution's recording of opening and closing branches; particularly, those located in low- and moderate-income geographies or primarily, serving low- and moderate-income individuals. Furthermore, the test evaluates the availability and effectiveness of alternative delivery systems (for retail services) in low- and moderate-income census tracts and to low- and moderate-income individuals; and the range of services provided in low-, moderate-, middle-, and upper-income census tracts and the degree to which services are tailored to meet the needs of those geographies.

The Bank offers various checking account options. The basic "Personal Basic Checking" is offered with no monthly fee, no minimum balance, no interest earned, and a no-charge ATM card. The Bank's "Personal Value Checking" requires a low minimum balance of \$500.00 to avoid normal monthly service charges (or no fee with direct deposit of paycheck, Social Security, public assistance or other automatic electronic deposit), and free on-line banking. The Bank also offers "Personal Student Checking." This product is service charge free with no minimum balance requirement and free debit card. The Bank's "Personal Now Checking" offers variable interest rate, a minimum daily balance of \$1,000 to avoid normal monthly charges, automatic transfer from any personal savings or money market sweep account, free on-line banking, and free Debit or ATM card. All personal checking accounts require a minimum of \$10 to open.

Distribution of Branches

The Bank's main office, located in Downtown Boston, is situated within a low-income census tract. Additionally, the Bank operates eight full-service branch offices. Based on 2000 Census data, one branch office located in Kendall Square, Cambridge is also situated within a low-income tract and two additional branch offices located in Cambridge, reside within moderate-income tracts. The branch offices in Boston's Back Bay section, Somerville, and Watertown reside within middle-income tracts. The remaining two branch offices located in Cambridge and the Jamaica Plain section of Boston reside in upper-income tracts.

Distribution of Branches (continued)

The Bank's hours of operation are considered to be convenient and comparable to other local financial institutions. All branches, except Downtown Boston and Kendall Square, offer extended lobby hours, either on Thursday or Friday, as well as Saturday morning hours. Likewise, all offices have ATMs that provide 24-hour network access and are linked to the NYCE, Cirrus, and Exchange networks. The Bank is a member of the SUM alliance. This service allows the Bank's customers surcharge-free use of ATMs operated by other SUM member banks.

Alternative Retail Banking Services

The Bank offers the same banking services and products in each of its branch offices. Similarly, each branch office has staff who can take loan applications for all retail credit products offered by the Bank, including mortgage and home equity applications.

The Bank provides free telephone and online banking to all account customers. The automated telephone system provides 24 hour 7 days a week account information and access. Access allows customers to check current balance and transaction information, transfer funds between accounts, make loan payments, and check a loan payment status. The Bank's online/internet banking provides 24 hour 7 days a week account access and information similar to the telephone banking and also offers online bill paying service.

Other Retail Services

The Bank continues to participate in the Massachusetts Interest on Lawyers Trust Accounts (IOLTA) Committee program. IOLTA utilizes these funds, the interest earned on funds held by attorneys, to support legal service agencies serving low-income individuals and families.

COMMUNITY DEVELOPMENT SERVICES

Community development services are evaluated based on the extent to which the institution provides community development services and the innovativeness and responsiveness of the services provided.

The Bank's officers and staff members provide financial or technical expertise to several organizations, involved in either economic development, initiatives to revitalize low- and moderate-income census tracts, affordable housing or, human services that target low- and moderate-income individuals. Overall, the Bank's qualified services, as detailed below, demonstrate a good level of community development services.

COMMUNITY DEVELOPMENT SERVICES (continued)

In 2002 and 2003, a Bank senior vice president served in various capacities in the following:

Ruah, Breath of Life is a home for women with AIDS. The vice president serves as Treasurer of the Board of Directors.

Child Care Investment Fund provides loans to child care facilities serving low-income families. The vice president serves as president of the investment committee.

Child Care Fund approves loans to childcare facilities serving low-income families. The vice president serves on the loan committee.

Massachusetts Housing Partnership provides loans for affordable housing projects. The vice president serves on the loan committee.

Committee to End Elder Homelessness is a group that provides housing for elders who are at risk for homelessness. The vice president is a financial advocate and member of fundraising committee.

Pine Street Inn is New England's largest homeless shelter serving men and women. The vice president is on the fundraising and development committees.

Massachusetts Community Banking Council (MCBC). The vice president is a member of the Affordable Housing Committee.

A senior vice president serves on the board of **El Centro del Cardinal**, a group that provides education, employment opportunities, and other services to low-income Latino youth.

A co-chairman of the Bank serves on the Investment Committee of the **Boston Foundation**, which reviews proposals and provides grant funding for affordable housing and community development projects.

A senior credit officer volunteers on the loan committee of **the Boston Community Loan Fund**.

COMMUNITY DEVELOPMENT SERVICES (continued)

Educational Services and Seminars

The CRA regulation considers credit and other financial education services as a community development service. The following are qualified services under the provisions of the CRA regulation.

In 2002, a vice president of residential loans conducted three first-time homebuyer seminars within the assessment area. Also, in 2002 and 2003, the Bank's vice president of residential lending participated in the following:

- Participated in monthly classes of the City of Cambridge's First-time Homebuyer Programs by helping to educate low- and moderate-income first-time homebuyers. Over 475 participants each year obtained insight concerning affordable mortgage options that are available to them from the financial industry. Similarly, the individual has conducted numerous first-time homebuyer seminars whereby individuals participating in the Massachusetts Housing Partnership's "Soft Second" program were obliged to attend the 10 hours of instruction in order to participate in this program. In addition, the residential lender participates in the following:
- Serves as member of the steering committee of Citizens Housing Assistance Fund's (CHAPA) first-time homebuyer and home ownership fair.
- Serves on Board and Finance Committee of Victory Programs a social service organization serving low- and moderate-income individuals.
- Serves on the edit committee of MCBC's "Don't Borrow Trouble" campaign.

The Bank has assisted three non-profit organizations in applying to the Federal Home Loan Bank of Boston ("FHLBB") for its Affordable Housing Program ("AHP") grants by writing, recommending, and forwarding the grant applications to the FHLBB. In addition to its assistance in the application process, the Bank, as sponsor of the application, assumes a commitment to assist the grant recipient in managing and coordinating the project throughout its development. The Bank has underwritten FHLBB AHP applications in each funding round offered.

The following represents a successful application sponsored by the Bank during this review period:

St. Aidan's Mixed Income Development – This mixed income housing revitalization initiative in Brookline includes the renovation and adaptive reuse of the existing St. Aidan's Church as 9 residential condominiums and the new construction of 59 units of housing. Included in the 59-unit new construction component are 22 rental units, which will be owned by a limited partnership. The limited partnership will own and operate the units as rent restricted apartments. These units comprise the affordable rental housing development that is subject to the FHLBB AHP application. Of the total units, 84 percent will be affordable to families. In particular, 30 percent will be conveyed to a limited partnership and subsequently rented to income eligible households at lease rates 50 percent below current market rents. To further extend the affordability the developer has applied to the Town of Brookline Public Housing Authority and Department of Housing and Community Development for 3 Section 8 certificates for families at or below 30 percent of the median income range. An additional 30 units, or 50 percent of the total, will be sold at prices below the cost of construction to first time homebuyers of low- and moderate-income.

The Bank had a full-time community development officer (who left during the course of this examination). The officer's key role was to provide a link between the Bank and the low- and moderate-income communities and to assist in assessing and developing products and services that help meet the needs of residents within those geographies. The community development officer also was instrumental in cultivating financial literacy within the inner city through educational seminars conducted in schools, religious outlets, youth organizations, and other groups throughout the assessment area on a regular basis.

In addition, the Bank provides nonprofit community-based organizations the free use of meeting rooms located at the Back Bay, Jamaica Plain, Central Square Cambridge branch locations. Organizations that benefit from the use of these facilities include Royal Commonwealth Society, Boston Pride Committee, RUAH Housing, ESAC, Mass Breast Cancer Coalition, GBBC, and Justice Resource Center.

Conclusion - Service Test

As depicted above, the Bank's systems for delivering retail banking services are accessible to geographies and individuals of different income levels within its assessment area. The Bank's officers and employees have provided a relatively high level of service activities and involvement in community organizations primarily for community development purposes and related to the provision of financial services. Many of the organizations that Bank management and employees have taken a leadership role in promote economic development or target the revitalization of business communities. Bank management and staff have sponsored and participated in numerous educational seminars. Based on this review the Bank's overall performance in providing services is considered outstanding.

APPENDIX A

SCOPE OF EXAMINATION

WAINWRIGHT BANK AND TRUST COMPANY

SCOPE OF EXAMINATION: The examination included an on-site analysis of all HMDA and CRA reported loans for the period noted below.

Residential aggregate loan data was reviewed during the examination and included comparative loan data of competing institutions. WAINWRIGHT BANK AND TRUST COMPANY has one assessment area, which was reviewed using the large bank examination procedures.

TIME PERIOD REVIEWED: January 1, 2002- December 31, 2003

PRODUCTS REVIEWED: HMDA-reportable Loans and Small Business Loans

APPENDIX B

FFIEC Core Tables [Dates From January 1, 2002 to December 31, 2003]

The Federal Financial Institution Examination Council (FFIEC) has adopted a standard set of data tables, sequentially numbered 1-15, for use in every large bank CRA Public Evaluation. Any tables not included in the Public Evaluation were excluded because the institution has not originated or purchased any loans in the relevant category during the period under review or did not elect to report consumer loan data.

LENDING ACTIVITY

Table 1	Lending Volume
Table 2a	Geographic Distribution of Home Purchase Loans
Table 3a	Geographic Distribution of Home Improvement Loans
Table 4a	Geographic Distribution of Home Mortgage Refinance Loans
Table 5a	Geographic Distribution of Multifamily Loans
Table 6a	Geographic Distribution of Small Loans to Businesses
Table 8a	Borrower Distribution of Home Purchase Loans
Table 9a	Borrower Distribution of Home Improvement Loans
Table 10a	Borrower Distribution of Home Mortgage Refinance Loans
Table 11a	Borrower Distribution of Small Loans to Businesses

INVESTMENTS AND BRANCHES

Table 14	Qualified Investments
Table 15	Distribution of Branch Delivery System and Branch
	Openings/Closings

Table 1. Lending Volume

LENDING VOLUME		Geography: WAINWRIGHT BANK				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003						
MA/Assessment Area (2003):	% of Rated Area Loans (#) in	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
	MA/AA*	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:				•								
Wainwright Bank & Trust-2002	100.00	100	23,512	88	26,193	0	0	0	0	188	49,705	100.00
Wainwright Bank & Trust-2003	100.00	240	58,943	33	5,312	0	0	0	0	273	64,255	100.00

^{*} Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

[&]quot;The evaluation period for Community Development Loans is From January 01, 2002 to December 31, 2003.

Deposit Data as of December 31, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME	Geography: WAINWRIGHT BANK				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003									
	Total Home Purchase Loans		Low-Income Geographies			Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*		
MA/Assessment Area:	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:											_			
Wainwright Bank & Trust-2002	26	100.00	4.51	0.00	39.70	61.54	43.26	26.92	12.53	11.54	7.98	42.71	33.77	15.54
Wainwright Bank & Trust-2003	33	100.00	9.85	15.15	35.48	54.55	39.86	18.18	14.81	12.12				

[°] Based on Peer Data is not available.

 $^{^{\}circ\circ}$ Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME	E IMPROVEMEN	Τ		Geography:	WAINWRIGHT	BANK	Evalu	ation Period	d: January 1,	2002 TO D	ECEMB	ER 31, 20	103	
	Total Home Im Loans		Low-Income Go	eographies	Moderate Geogra		Middle-In Geograp		Upper-In Geograp		Aggre		DA Lendino Income*	ງ (%) by
MA/Assessment Area:	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:											•			
Wainwright Bank & Trust-2002	19	100.00	4.51	31.58	39.70	47.37	43.26	21.05	12.53	0.00	5.34	42.69	41.48	10.49
Wainwright Bank & Trust-2003	19	100.00	9.85	42.11	35.48	36.84	39.86	21.05	14.81	0.00				

[°] Based on Peer Data is not available.

[&]quot;Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME	MORTGAG	E REFINANCE	_	Ge	ography: WAINW	/RIGHT BAN	IK	Evaluatio	n Period: JANI	JARY 1, 200)2 TO DE	ECEMBER	₹ 31, 200	13
		ne Mortgage nce Loans	Low-Ind Geograp		Moderate-I Geograp		Middle-In Geograp		Upper-Ir Geogra		Aggreg		A Lending ncome*	g (%) by
MA/Assessment Area:	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Wainwright Bank & Trust-2002	48	100.00	4.51	6.25	39.70	27.08	43.26	47.92	12.53	18.75	5.68	38.91	40.73	14.68
Wainwright Bank & Trust-2003	175	100.00	9.85	9.71	35.48	34.29	39.86	43.43	14.81	12.57				

Based on Peer Data is not available.

[&]quot;Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAM	IILY			Geography:	WAINWRIG	HT BANK	E	Evaluation Pe	eriod: JANUA	ARY 1, 2002 ⁻	ГО DECEMB	ER 31, 200)3	
	_	ultifamily ans		ncome raphies		te-Income raphies		Income aphies		-Income raphies	Aggrega		_ending (%) ome*	by Tract
MA/Assessment Area:	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Wainwright Bank & Trust-2002	7	100.00	19.95	28.57	40.47	42.86	22.80	28.57	16.78	0.00	12.24	48.96	28.12	10.68
Wainwright Bank & Trust-2003	13	100.00	22.21	30.77	36.88	30.77	22.05	23.08	18.86	15.38				

^{*} Based on Peer Data is not available.

[&]quot;Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

[&]quot;Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOAN	IS TO B	JSINESSES	;	Geog	raphy: WAINWRIO	GHT BANK	Ev	aluation Pe	riod: January 1	2002 TO D	ECEME	BER 31,	2003	
		al Small ess Loans	Low-Income G	eographies	Moderate-Ir Geograpl		Middle-Ind Geograp		Upper-Inc Geograpl		Aggr	egate Le Tract Ii		%) by
MA/Assessment Area:	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:	•						1		1					,i
Wainwright Bank & Trust-2002	88	100.00	19.75	19.32	31.64	23.86	25.88	15.91	22.73	40.91	Na	Na	Na	Na
Wainwright Bank & Trust-2003	33	100.00	23.47	30.30	27.00	24.24	26.01	12.12	23.52	33.34				

Based on Aggregate Small Business Data Only.

"Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Source Data - Dun and Bradstreet (200 \overline{z}).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PL	JRCHASE			Geography:	WAINWRIGHT	BANK	Evalu	uation Period	: JANUARY 1,	2002 TO DEC	EMBER	2 31, 2003	1	
		Home se Loans	Low-Income	Borrowers	Moderate Borro		Middle-I Borro		Upper-I Borro	ncome wers	А	.ggregate	Lending D)ata*
MA/Assessment Area:	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:											•	•		
Wainwright Bank & Trust-2002	26	100.00	32.80	19.23	21.08	19.23	21.38	30.77	24.75	30.77	3.27	13.94	22.05	43.04
Wainwright Bank & Trust-2003	33	100.00	36.09	6.06	20.09	42.42	18.67	15.15	25.15	36.36				

[°] Based on Peer Data is not available.

^{**} As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

Percentage of Families is based on the 1990 Census information.

Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IN	IPROVEIVI	EINI		Geogra	iphy: WAINWRI	GHT BAINK		Evaluation Pe	eriod: JANUAR	1 1, 2002 10	DECEIN	IDEK 31, ZI	JU3	
		Il Home ment Loans	_	ncome owers	Moderate Borro		Middle-I Borro		Upper-I Borro		А	.ggregate L	ending Da	ata*
MA/Assessment Area:	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														•
Wainwright Bank & Trust-2002	19	100.00	32.80	31.58	21.08	21.05	21.38	36.84	24.75	10.53	9.58	17.89	23.53	34.9
Wainwright Bank & Trust-2003	19	100.00	36.09	5.26	20.09	31.58	18.67	57.90	25.15	5.26				

Based on Peer Data is not available.

[&]quot;As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

[&]quot;Percentage of Families is based on the 1990 Census information.

[&]quot;" Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME M	ORTGAGE	REFINANCE		Ge	ography: WAINV	VRIGHT BANI	<	Evaluation	Period: JANU	ARY 1, 2002	TO DEC	EMBER 3	31, 2003	
		e Mortgage ce Loans	Low-Income	Borrowers	Moderate- Borrov		Middle-I Borro		Upper-I Borro		А	ggregate	Lending D)ata*
MA/Assessment Area:	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Wainwright Bank & Trust-2002	48	100.00	32.80	10.42	21.08	16.67	21.38	25.00	24.75	45.83	4.89	16.26	24.05	38.75
Wainwright Bank & Trust-2003	175	100.00	36.09	6.86	20.09	14.86	18.67	32.00	25.15	45.14				

[°] Based on Peer Data is not available.

[&]quot;As a percentage of loans with borrower income information available. No information was available for 0.57% of loans originated and purchased by BANK.

Percentage of Families is based on the 1990 Census information.

Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LO	ANS TO BUSIN	IESSES	G	Geography: W	AINWRIGHT BANK	Evaluation Pe	riod: JANUARY 1, 2002 T	O DECEMBER	31, 2003
	Total Small Busine		Businesses With R \$1 million or		Loans by Orig	inal Amount Regardless o	of Business Size	Aggregat	te Lending Data*
MA/Assessment Area:	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Wainwright Bank & Trust-2002	88	100.00	69.28	72.73	38.64	21.59	39.77	Na	Na
Wainwright Bank & Trust-2003	33	100.00	59.76	69.70	66.67	15.15	18.18		

^{*} Based on Aggregate Small Business Data Only.

[&]quot;Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

[🔭] Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography	: WAINWRIGHT BA	NK I	Evaluation Peri	od: January 1, 20	002 TO DECEMBER	R 31, 2003	
	Prior Period	Investments*	Current Perio	od Investments		Total Investment	ts	Unfunded Con	nmitments**
MA/Assessment Area:	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Wainwright Bank & Trust-2003	5	5,964	2	3,154	7	9,118	100.00	0	0

^{&#}x27;Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.
"'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's

financial reporting system.

WAINWRIGHT BANK & TRUST 2003

Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	207	21.74	38.65	29.47	9.66	0.48
Population by Geography	800,960	19.72	42.23	28.49	9.47	0.08
Owner-Occupied Housing by Geography	107,493	9.85	35.48	39.86	14.81	0.00
Business by Geography	53,653	23.47	27.00	26.01	23.52	0.00
Farms by Geography	315	13.97	32.38	39.05	14.60	0.00
Family Distribution by Income Level	156,965	36.09	20.09	18.67	25.15	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	88,183	28.41	47.30	21.04	3.25	0.00
Median Family Income HUD Adjusted Median Family Income for Households Below Poverty Level	2003	68,341 80,800 16.78%	Median Housing Unemployment Census)		250,025 3.5%	,

^(*) The NA category consists of geographies that have not been assigned an income classification. Source: 2000 US Census and 2003 HUD updated MFI

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

WAINWRIGHT BANK AND TRUST COMPANY

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **MAY 24, 2004**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

	A majority of the	Board of Di	rectors/Trustees		
Dated at	thi	s	day of	20	

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.